



*Executive Officer's
Report to the Board
February 27, 2004*

Board Updates

Claims Management Information System (CMiS) Update

The Claims Management Information System (CMiS) Project, which will replace the Board's present, out-dated, computer claims processing system with new software, continues to make progress. In November 2003, the Board contracted with EmergingSoft, a company that has developed compensation claims management software used in Minnesota, Iowa, and Mississippi, to adapt the software for use in California.

Carol Fieldhouse, Deputy Executive Officer for Administration, was designated Project Manager to ensure that the system is developed according to our specifications and delivered by the vendor within the established timeframes and within budget. Since Carol will soon be departing the Board to accept a position at the Board of Equalization, Executive Staff is in the process of identifying a new Project Manager to take over this important task.

Staff members from various units of the Board are participating in 7 subproject teams in an effort to incorporate all aspects of the claims management process. A Senior Project Management Team meets weekly to coordinate the work of the teams. The team must move step-by-step through all Board processes to make sure that the software is modified to include the information required under California law.

California's compensation applications are processed at the Board and in 22 satellite offices, or Joint Powers Units, where local victim assistance center staff work under contract with the Board. One important issue the Project Team is working on now concerns how to ensure that all the off-site offices have a high-quality connection with the new system, which has sometimes been a problem in the past. Another key issue is how the new system will work in the existing environment in the JP units. It must successfully integrate with word processing software, printers, and a variety of other equipment.

Successful Start to the Board's New Court-Ordered Debt Collection Program

In January the Board embarked on a joint effort with the Franchise Tax Board (FTB) to collect unpaid restitution fines and orders from former parolees and probationers. When a restitution fine or order balance exists at the time an offender is released from parole or probation, the file is usually closed, collection activity typically ceases, and the obligations remain outstanding. Consequently, the Board

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loses millions of dollars annually in potential revenue. In response to this problem, the Board began working collaboratively in FY 2002/03 with FTB's Court-Ordered Debt Collection Program to establish a process to collect this outstanding restitution. By January 2004, FTB was ready to begin collections and the Board chose to start with terminated parole cases from the California Department of Corrections (CDC). The CDC submitted \$47 million in outstanding post-parolee restitution fine obligations to the Board for initial collection. Because of workload constraints, the Board expects to send the \$47 million to FTB in increments over a five- to six-month period. The total amount to be collected will increase monthly as new offenders are released from parole. Once the workload is established and staffing needs are understood, the Board will increase the number of cases submitted to FTB by working with counties to turn over delinquent restitution debts from terminated probationers.

The FTB sends monthly demand for payment requests to delinquent debtors. The demand letter allows 10 days for the debtor to respond by paying the debt in full or establishing a payment plan. If the debtor fails to pay within the 10-day period, FTB looks for assets to levy.

In January 2004, the Board sent FTB 1,000 cases covering \$8.2 million owed to the Restitution Fund. As of February 17, the Board had received 230 telephone calls related to demand letters sent by FTB. By mid-February FTB had collected \$108,700 and disbursed \$92,400 to the Restitution Fund. FTB retains a 15 percent administrative fee.

In February, the Board sent FTB the next highest 5,000 cases from CDC, totaling \$9.4 million. Demand letters were mailed the third week in February. Board staff is tracking the workload carefully to allocate appropriate resources to this new project.

Fiscal Audit and Clinical Review of Non Profit Agreements (NPA) Begins in February

The Audits and Investigations Branch (AIB) and Quality Assurance Mental Health (QAMH) section will conduct a fiscal audit and clinical review, respectively, of the mental health providers who have Non-Profit Agreements (NPA) with the Board. As a result of Senate Bill 644 (statutes of 1993), the Board developed the Non-Profit Agreement, a simplified, expedited procedure for paying bills from a qualified provider of mental health services. NPA providers must have extensive experience in providing mental health services to crime victims and utilize reimbursement from the Restitution Fund at a significant level on a regular and consistent basis. NPA providers are required to: submit an initial treatment plan to the Board for each victim to verify that treatment is related to the qualifying crime; submit bills within a designated time limit each month; and bill all available collateral benefits before billing the Board.

There are 28 active NPA providers, representing 14.8 percent of mental health payments (\$7,076,865 of a total of \$47,782,436 in payments for mental health services) in Fiscal Year (FY) 2001-02 and 9.7 percent (\$3,890,287 of \$39,901,657) in FY 2002-03.

The Audits and Investigations Branch staff will verify applicant eligibility and ensure the appropriate application of other reimbursement sources. QAMH staff will focus on the quality of mental health therapy provided.

National Organization of Victim Assistance (NOVA) conference coming to Sacramento

The National Organization of Victim Assistance (NOVA) will hold its 30th annual conference in Sacramento August 22-27, 2004, at the Sacramento Convention Center. NOVA holds an annual conference to highlight issues and advances in the field of victim services. The theme of this year's conference is, "Victim's Rights: The Gold Standard."

Attorney General Bill Lockyer is currently the lead host for the conference. A steering committee comprised of state, federal, criminal justice, non-profit, and volunteer agencies is actively planning the event. Anita Ahuja, Executive Liaison, represents the Board on the steering committee and chairs the programs committee.

NOVA is a private, non-profit organization of victim/witness assistance programs and practitioners, criminal justice agencies and professionals, mental health professionals, researchers, victims of crime and survivors, and others committed to recognizing and implementing victim rights and services. Founded in 1975, NOVA is the oldest national group of its kind in the world. NOVA's mission is to promote rights and services for victims of crime everywhere. It provides advocacy, training, professional development, ideas for program and service innovation, and membership services.

Board Staff Attends California District Attorneys Association Conference

Staff Counsel Jennifer Shaffer attended the California District Attorney's Association (CDAA) Annual Winter Conference in Santa Barbara on January 27, 2004. She represented the Board at a meeting of the CDAA's Victims' Rights Committee. Approximately 40 people attended the meeting. Mr. Peter Siggins, Governor Arnold Schwarzenegger's Legal Secretary, addressed the committee concerning the Governor's procedure for reviewing Board of Prison Term parole decisions. Other items discussed included: pending federal legislation to provide constitutional rights to crime victims; pending state legislation and future legislative ideas; status of grant funding administered by the Office of Emergency Services (formerly the Office of Criminal Justice Planning); and the status of the Restitution Fund.

Staff Moves Place Board Staff Under One Roof; Saves Money

As part of an ongoing effort to reduce the Board's administrative costs, the Board's lease for office space at 660 J Street is being terminated, effective March 10, 2004. The Audits & Investigations Branch (AIB) and Government Claims (GC) Program staff, 21 in all, will move from 660 J Street to the Board's office at 630 K Street by the end of this month. The lease termination reduces the Board's costs by approximately \$160,000 per year. All Board staff will now be located at 630 K Street.

Victim Compensation

Board Hosts Statewide Compensation Committee Meeting

On February 10, the Board hosted the quarterly Victim Witness Coordinating Council (VWCC) Compensation Committee meeting. The VWCC consists of victim advocates from all 58 counties, whereas the Compensation Committee members are a sub-group of managers and supervisors from the 22 Joint Powers (JP) agencies (who process claims on behalf of the Board). The meeting was very well attended, with at least 32 representatives from the counties along with 15 Board staff.

The meetings are a vital forum for Board staff and executives to present information and share ideas with our strategic partners in delivering services to victims. Managers and supervisors assigned to overseeing claims processing for specific counties have the opportunity to meet with county personnel.

Some of the issues discussed include preparing for next year's JP budgets; the condition of the Restitution Fund; guidelines for emergency awards; planning for mass casualty events; and medical and dental reimbursement rates. Staff gave presentations on overpayments, recoveries, and staff's role in acting as the custodian of records. The meeting's highlight was a one-hour demonstration of the Claims Management Information System now being developed.

Federal Government Prosecutes Fraudulent 9/11 Applicant

On September 26, 2001, Mr. Terry Smith filed a Victim Compensation Program application, alleging his wife was killed in the 9/11 terrorist attacks. He requested compensation for mental health, funeral/burial, and support losses. While verifying the application, staff noted inconsistencies in his story, and the Board denied the claim on July 18, 2002. No benefits were awarded to Mr. Smith.

Federal charges were brought against Mr. Smith and pled guilty to two counts of wire and mail fraud. His sentencing is scheduled for early April. The federal agent and prosecutor responsible for the case both expressed their appreciation for the cooperation of Board staff.

Revenue Recovery

Staff Works with Judicial Council to Assist Victims with Restitution

Staff Counsel Deborah Bain assisted the Judicial Council by developing tools to help victims with collecting unpaid restitution orders. The Judicial Council was required to develop questionnaires, or interrogatories, to assist victims in identifying the assets of convicted offenders, but had not done so yet. Upon learning this, Ms. Bain developed the interrogatories in conjunction with Warren Millar, Yuba County Financial Officer, and submitted them to the Judicial Council for review.

The Judicial Council approved the interrogatories and posted them on their website, making them available to victims. These form interrogatories may be sent by a victim to the defendant each calendar year until the restitution order is paid. The interrogatories require the defendant to provide current information regarding the nature, extent, and location of all assets and income. This information can then be used to collect unpaid restitution orders.

SB 940 Working Group Makes Progress on Restitution Collection Issues

The Judicial Council's Collaborative Court-County Working Group on Enhanced Collections began meeting in November 2003. The Working Group is charged with developing comprehensive guidelines for collecting unpaid fees, fines, forfeitures, penalties, and assessments. In addition to increasing collections, the Working Group will underscore the importance of ensuring respect for court orders and will help build public trust and confidence in the judicial system.

SB 940, the 2003 legislation that initiated this effort, requires that each superior court and county develop a comprehensive plan to implement the guidelines established by the Judicial Council. Of the 20 members appointed to the Working Group by Chief Justice Ronald George, only four state agencies are represented: the Franchise Tax Board, the California Department of Corrections, the California Youth Authority, and the Board. The Working Group meets by conference call each Friday morning. The numerous subcommittees meet via conference call.

One of the first accomplishments of the Working Group was to activate the Boards' dormant project with FTB to collect restitution fines from former parolees and probationers who still owe court-ordered. This project had been on hold pending the outcome of FTB's budget and associated staffing considerations.

The Board's representative to the Working Group, Deputy Executive Officer David Shaw, is a member of the Standards and Guidelines subcommittee. The subcommittee's goal is to work on increasing collections and deposits to the Restitution Fund and create standards for: outcome measures and data elements; program costs; waivers; customer contact requirements and timing; usage of FTB programs; using outside collection agencies; requirements of contracts; amnesty programs/discharge of accountability; withholding professional and business licenses; and training.

The Guidelines and Standards subcommittee has created draft standards that will be presented at the next full meeting of the Working Group on March 4, 2004, in Sacramento. The other three subcommittees (Court-County Collaborative Plans, Training and Education, and Operations) will also present their draft reports for review.

Upcoming Events

(The conferences and events listed below are for informational purposes only.)

Fourth Annual International Domestic Violence, Sex Assault, and Stalking Conference

Sponsored by Stop Domestic Violence and SATI, Inc., this conference will be held April 7-9 in San Diego.

National Victims' Rights Week

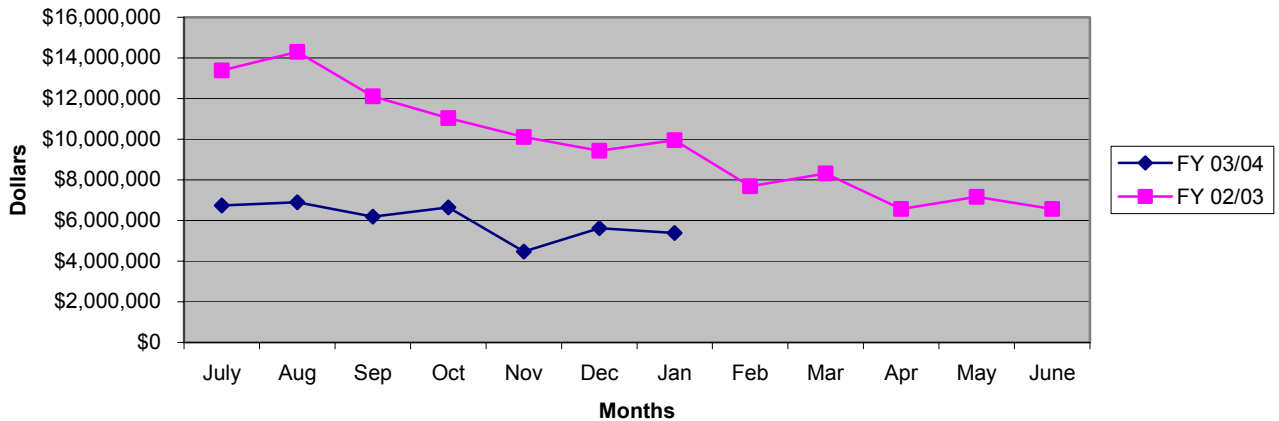
April 18-24 is National Victims' Rights Week. This year's theme is "*Victims Rights: America's Values.*" The Board will participate in the annual march on the Capitol scheduled for April 20. Hundreds of crime victims and crime victim advocates will gather at the Capitol to bring attention to the issue of victim rights. Victim rights organizations and victim services from around the state will be represented.

Victim Compensation Program Activity

VCP PAYMENTS

Fiscal Year Comparison	Month of January	Fiscal Year to Date	% Change from Prior FY
FY 03/04	\$5,383,017	\$41,959,496	-48%
FY 02/03	\$9,955,251	\$80,339,846	

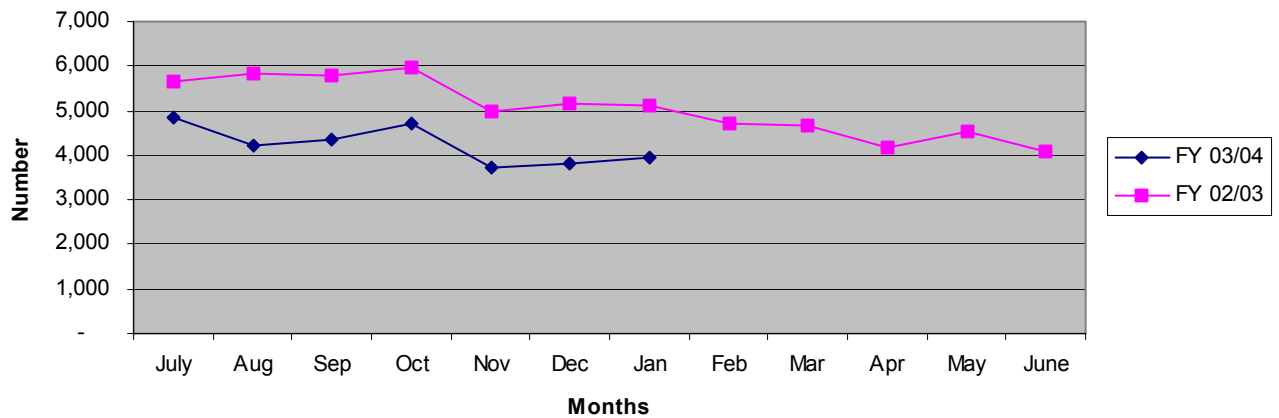
Payment Awards



VCP NUMBER OF APPLICATIONS RECEIVED

Fiscal Year Comparison	Month of January	Fiscal Year to Date	% Change from Prior FY
FY 03/04	3,961	29,636	-23%
FY 02/03	5,135	38,532	

Number of VCP Applications Received

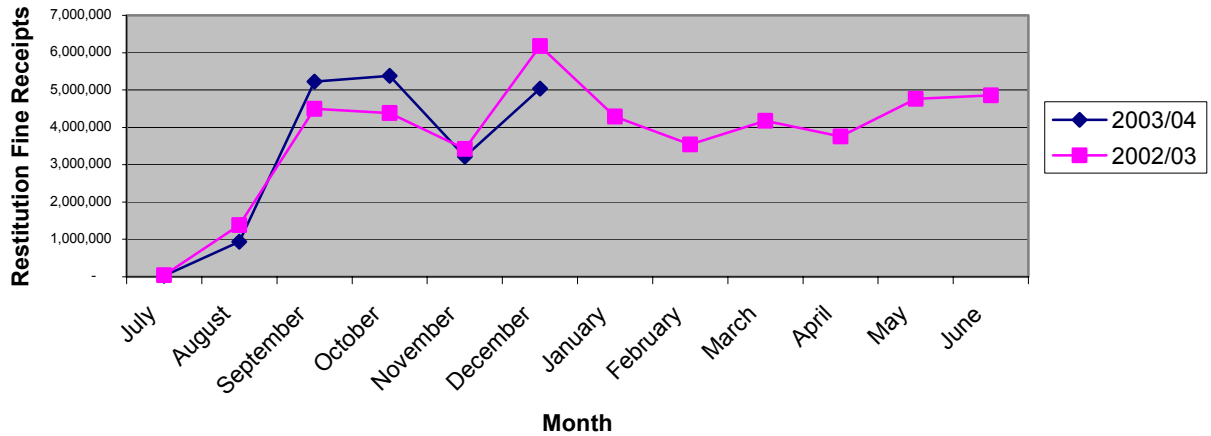


Revenue and Recovery

RESTITUTION FINES

Fiscal Year Comparison	Month of December	Fiscal Year to Date	% Change from Prior FY
FY 03/04	\$5,032,608	\$19,825,567	0%
FY 02/03	\$6,172,560	\$19,897,488	-

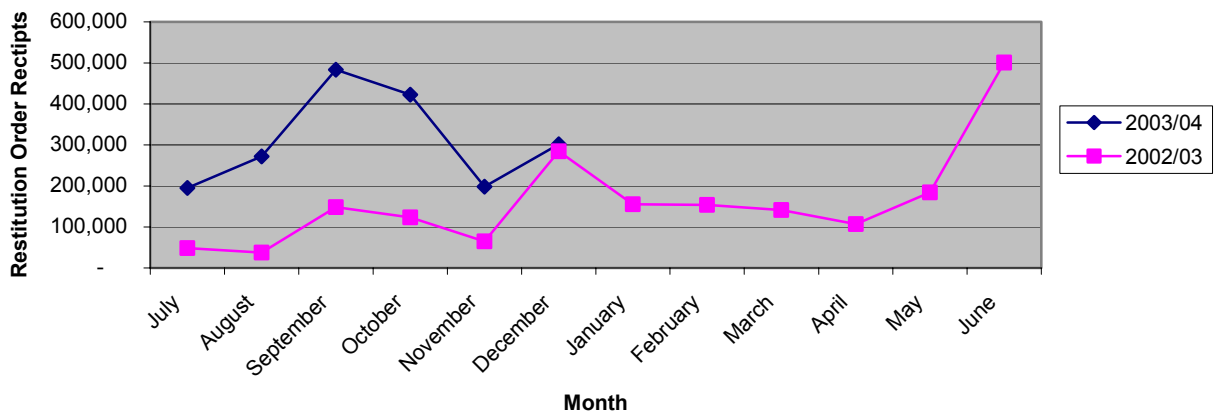
Restitution Fine Receipts By Month



RESTITUTION ORDERS

Fiscal Year Comparison	Month of December	Fiscal Year to Date	% Change from Prior FY
FY 03/04	\$301,928	\$1,873,247	165%
FY 02/03	\$284,213	\$707,257	-

Restitution Order Receipts By Month

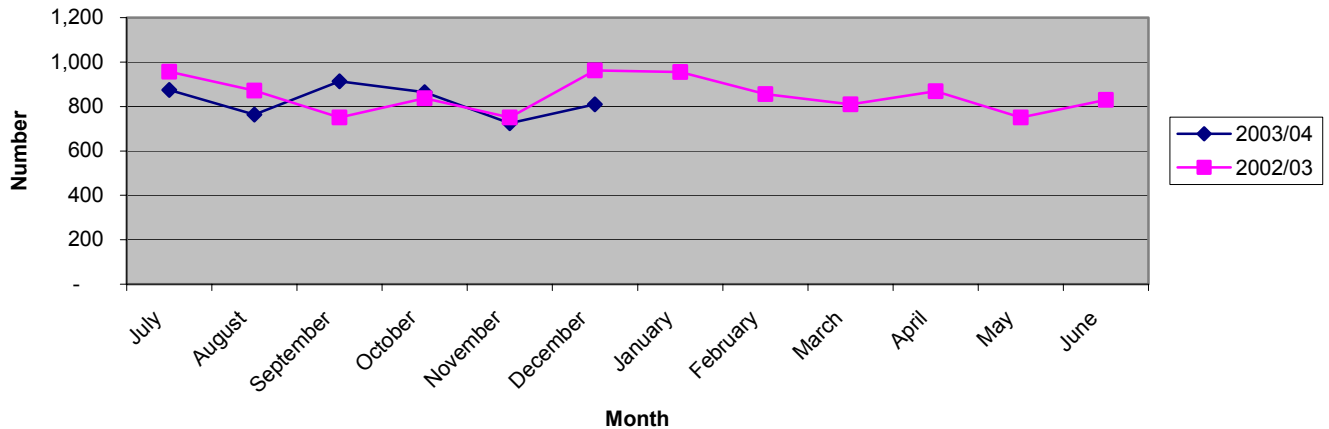


Government Claims

GOVERNMENT CLAIMS RECEIVED

Fiscal Year Comparison	Month of December	Fiscal Year to Date	% Change from Prior FY
FY 03/04	810	4,951	-3%
FY 02/03	962	5,128	-

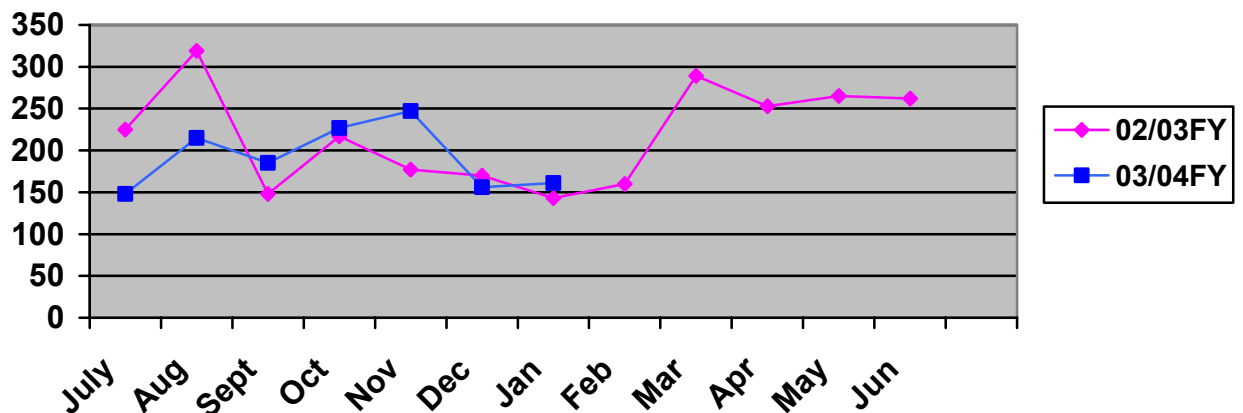
Government Claims Received



CONTRACT CLAIMS¹ – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of January	Fiscal Year to Date	% Change from Prior FY
FY 03/04	161	188	1%
FY 02/03	143	186	

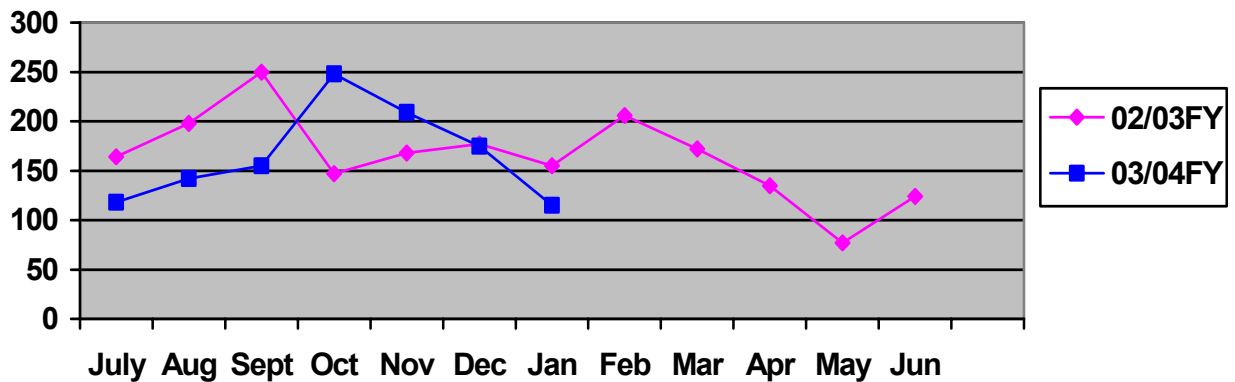
Contract Claims- Average Processing Time



EQUITY CLAIMS² – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of January	Fiscal Year to Date	% Change from Prior FY
FY 03/04	115	172	-4%
FY 02/03	155	179	

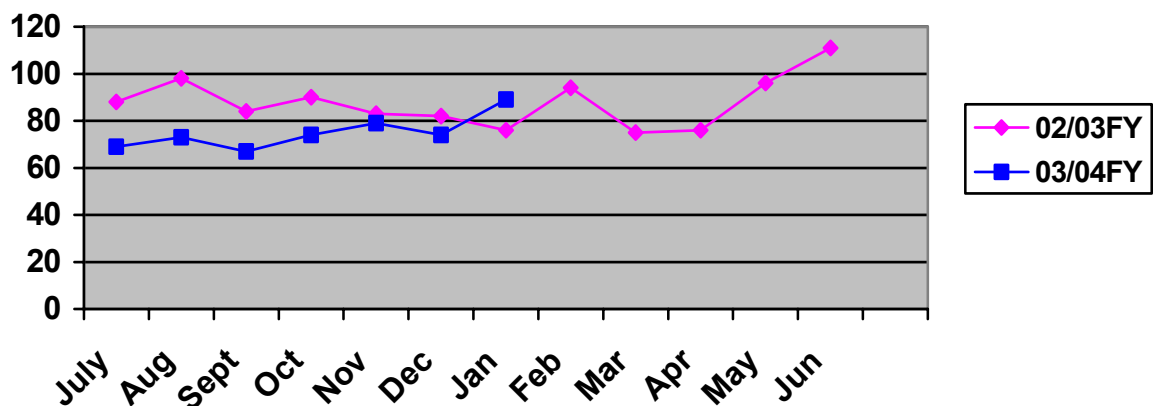
Equity Claims - Average Processing Time



TORT CLAIMS³ – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of January	Fiscal Year to Date	% Change from Prior FY
FY 03/04	89	74	-14%
FY 02/03	76	87	

Tort Claims - Average Processing Time



¹ **Contract claims** -These are typically claims where a vendor has provided services to the State, but a purchase order or contract was not officially in place at the time the services were performed and, therefore, the affected agency does not have the authority to pay the invoice without the Board's approval.

² **Equity Claims** - These are claims where there is no legal liability on the part of the State to pay, but for which the claimant has asked the Board to exercise its equity power to provide payment in fairness for the action or inaction of a State agency. Also included to a large degree are outdated warrants (State-issued checks that went un-cashed for more than 3 years).

³ **Tort Claims** –These are claims for damages filed against specific State agencies. These claims are generally rejected, but are a required administrative action to be taken by a claimant prior to bringing civil action against the State in a court of law. The filing of the Tort claim gives the State advance notice of potential future litigation.